BUSINESS REPORT

MONTANA SENATE 62nd LEGISLATURE - REGULAR SESSION

SENATE NATURAL RESOURCES COMMITTEE

Date: Friday, February 11, 2011

Place: Capitol

Time: 3:00 PM Room: 422

BILLS and RESOLUTIONS HEARD:

SB 286 - Revise certain coal prospecting procedures

EXECUTIVE ACTION TAKEN:

SB 206 - Do pass as amended SJ 10 - Do pass as amended SB 267 - Do pass SB 239 - Tabled

Comments:

SEN. Debby Barrett, Chair

MONTANA STATE SENATE ROLL CALL NATURAL RESOURCES COMMITTEE

DATE:	February	11	2011
	/		

NAME	PRESENT	ABSENT/
		EXCUSED
Vice Chair Hinkle	/	
Senator Brenden	/	
Senator Hamlett	/	
Senator Jackson	✓.	
Senator Kaufmann	/	
Senator Keane	/	
Senator Larsen		
Senator Peterson		
Senator Steinbeisser		,
Senator Tropila		
Senator Vincent		
Senator Walker		
Senator Wanzenried		
Chairperson Barrett		



SENATE STANDING COMMITTEE REPORT

February 11, 2011 Page 1 of 1

Mr. President:

We, your committee on Natural Resources recommend that Senate Bill 267 (first reading copy -- white) do pass.

Signed: _

Senator Debby Barrett, Chai

- END -

Committee Vote:
Yes 13, No 1
Fiscal Note Required ___



SENATE STANDING COMMITTEE REPORT

February 11, 2011 Page 1 of 7

Mr. President:

We, your committee on Natural Resources recommend that Senate Bill 206 (first reading copy -- white) do pass as amended.

Signed:

Senator Debby Barrett, Chair

And, that such amendments read:

1. Title, page 1, line 5.

Strike: "DESIGNATE"
Insert: "EXAMINE"

2. Title, page 1, line 6 through line 7.

Strike: "ISSUING" on line 6 through "FACILITIES" on line 7

Insert: "CONDUCTING A REVIEW IN ACCORDANCE WITH THE MONTANA
ENVIRONMENTAL POLICY ACT IN CONJUNCTION WITH AN APPLICATION
FOR A CERTIFICATE UNDER THE MAJOR FACILITY SITING ACT;"

3. Title, page 1, line 8.

Following: "2;"

Insert: "REQUIRING FACILITIES TO BE SITED IN FEDERALLY DESIGNATED ENERGY CORRIDORS WHEN COMPATIBLE WITH OTHER SITING AND RELIABILITY REQUIREMENTS;"

4. Title, page 1, line 8.

Strike: "SECTION"

Insert: "SECTIONS 75-20-104, 75-20-301, AND"

5. Page 1.

Following: line 12

"Section 1. Section 75-20-104, MCA, is amended to read:

"75-20-104. Definitions. In this chapter, unless the context requires otherwise, the following definitions apply:

(1) "Addition thereto" means the installation of new

Committee Vote:

Yes 13, No 1

Fiscal Note Required

machinery and equipment that would significantly change the conditions under which the facility is operated.

- (2) "Application" means an application for a certificate submitted in accordance with this chapter and the rules adopted under this chapter.
- (3) (a) "Associated facilities" includes but is not limited to transportation links of any kind, aqueducts, diversion dams, pipelines, storage ponds, reservoirs, and any other device or equipment associated with the delivery of the energy form or product produced by a facility.
- (b) The term does not include a transmission substation, a switchyard, voltage support, or other control equipment or a facility or a natural gas or crude oil gathering line 25 inches or less in inside diameter.
- (4) "Board" means the board of environmental review provided for in 2-15-3502.
- (5) "Certificate" means the certificate of compliance issued by the department under this chapter that is required for the construction or operation of a facility.
 - (6) "Commence to construct" means:
- (a) any clearing of land, excavation, construction, or other action that would affect the environment of the site or route of a facility but does not mean changes needed for temporary use of sites or routes for nonutility purposes or uses in securing geological data, including necessary borings to ascertain foundation conditions;
- (b) the fracturing of underground formations by any means if the activity is related to the possible future development of a gasification facility or a facility employing geothermal resources but does not include the gathering of geological data by boring of test holes or other underground exploration, investigation, or experimentation;
- (c) the commencement of eminent domain proceedings under Title 70, chapter 30, for land or rights-of-way upon or over which a facility may be constructed;
- (d) the relocation or upgrading of an existing facility defined by subsection (8)(a) or (8)(b), including upgrading to a design capacity covered by subsection (8)(a), except that the term does not include normal maintenance or repair of an existing facility.
- (7) "Department" means the department of environmental quality provided for in 2-15-3501.
 - (8) "Facility" means:
- (a) each electric transmission line and associated facilities of a design capacity of more than 69 kilovolts, except that the term:
- (i) does not include an electric transmission line and associated facilities of a design capacity of 230 kilovolts or less and 10 miles or less in length;
- (ii) does not include an electric transmission line with a design capacity of more than 69 kilovolts but less than 230

kilovolts for which the person planning to construct the line has obtained right-of-way agreements or options for a right-of-way from more than 75% of the owners who collectively own more than 75% of the property along the centerline;

- (iii) does not include an electric transmission line that is less than 150 miles in length and extends from an electrical generation facility, as defined in 15-24-3001(4), or a wind generation facility or biomass generation facility, as defined in 15-6-157, to the point at which the transmission line connects to a regional transmission grid at an existing transmission substation or other facility for which the person planning to construct the line has obtained right-of-way agreements or options for a right-of-way from more than 75% of the owners who collectively own more than 75% of the property along the centerline;
- (iv) does not include an upgrade to an existing transmission line to increase that line's capacity to less than or equal to 230 kilovolts, including construction outside the existing easement or right-of-way. Except for a newly acquired easement or right-of-way necessary to comply with electromagnetic field standards, a newly acquired easement or right-of-way outside the existing easement or right-of-way as described in this subsection (8)(a)(iv) may not exceed a total of 10 miles in length or be more than 10% of the existing transmission right-of-way, whichever is greater, and the purpose of the easement must be to avoid sensitive areas or inhabited areas.
- (v) does not include a transmission substation, a switchyard, voltage support, or other control equipment;
- (b) (i) each pipeline, whether partially or wholly within the state, greater than 25 inches in inside diameter and 50 miles in length, and associated facilities, except that the term does not include:
- (A) a pipeline within the boundaries of the state that is used exclusively for the irrigation of agricultural crops or for drinking water; or
- (B) a pipeline greater than 25 inches in inside diameter and 50 miles in length for which the person planning to construct the pipeline has obtained right-of-way agreements or options for a right-of-way from more than 75% of the owners who collectively own more than 75% of the property along the centerline;
- (ii) each pipeline, whether partially or wholly within the state, greater than 17 inches in inside diameter and 30 miles in length, and associated facilities used to transport coal suspended in water;
- (c) any use of geothermal resources, including the use of underground space in existence or to be created, for the creation, use, or conversion of energy, designed for or capable of producing geothermally derived power equivalent to 50 megawatts or more or any addition thereto, except pollution control facilities approved by the department and added to an existing plant; or

- (d) for the purposes of 75-20-204 only, a plant, unit, or other facility capable of generating 50 megawatts of hydroelectric power or more or any addition thereto.
- (9) "Person" means any individual, group, firm, partnership, corporation, limited liability company, cooperative, association, government subdivision, government agency, local government, or other organization or entity.
- (10) "Sensitive areas" means government-designated areas that have been recognized for their importance to Montana's wildlife, wilderness, culture, and historic heritage, including but not limited to national wildlife refuges, state wildlife management areas, federal areas of critical environmental concern, state parks and historic sites, designated wilderness areas, wilderness study areas, designated wild and scenic rivers, or national parks, monuments, or historic sites.
- (11) "Transmission substation" means any structure, device, or equipment assemblage, commonly located and designed for voltage regulation, circuit protection, or switching necessary for the construction or operation of a proposed transmission line.
- (12) "Transmission reliability agencies" means the federal energy regulatory commission, the western electricity coordinating council, the national electric reliability council, and the Midwest reliability organization.
- $\frac{(12)}{(13)}$ "Upgrade" means to increase the electrical carrying capacity of a transmission line by actions including but not limited to:
 - (a) installing larger conductors;
 - (b) replacing insulators;
 - (c) replacing pole or tower structures; or
 - (d) changing structure spacing, design, or guying.
- (13)(14) "Utility" means any person engaged in any aspect of the production, storage, sale, delivery, or furnishing of heat, electricity, gas, hydrocarbon products, or energy in any form for ultimate public use."
- Insert: "Section 2. Section 75-20-301, MCA, is amended to read:
- "75-20-301. Decision of department -- findings necessary for certification. (1) Within 30 days after issuance of the report pursuant to 75-20-216 for facilities defined in 75-20-104(8)(a) and (8)(b), the department shall approve a facility as proposed or as modified or an alternative to a proposed facility if the department finds and determines:
 - (a) the basis of the need for the facility;
 - (b) the nature of the probable environmental impact;
- (c) that the facility minimizes adverse environmental impact, considering the state of available technology and the nature and economics of the various alternatives;
- (d) in the case of an electric, gas, or liquid transmission line or aqueduct:
- (i) what part, if any, of the line or aqueduct will be located underground;

- (ii) that the facility is consistent with regional plans for expansion of the appropriate grid of the utility systems serving the state and interconnected utility systems; and
- (iii) that the facility will serve the interests of utility system economy and reliability;
- (e) that the location of the facility as proposed conforms to applicable state and local laws and regulations, except that the department may refuse to apply any local law or regulation if it finds that, as applied to the proposed facility, the law or regulation is unreasonably restrictive in view of the existing technology, of factors of cost or economics, or of the needs of consumers, whether located inside or outside the directly affected government subdivisions;
- (f) that the facility will serve the public interest, convenience, and necessity;
- (g) that the department or board has issued any necessary air or water quality decision, opinion, order, certification, or permit as required by 75-20-216(3); and
- (h) that the use of public lands or federally designated energy corridors for location of the a facility defined in 75-20-104(8)(a) or (8)(b) was evaluated and public lands or federally designated energy corridors for that facility were selected whenever their use is as economically practicable as the use of private lands was compatible with:
- (i) the requirements of subsection (1)(a) through (1)(g); and
- (ii) transmission line reliability criteria established by transmission reliability agencies for a facility defined in 75-20-104(8)(a).
- (2) In determining that the facility will serve the public interest, convenience, and necessity under subsection (1)(f), the department shall consider:
 - (a) the items listed in subsections (1)(a) and (1)(b);
- (b) the benefits to the applicant and the state resulting from the proposed facility;
- (c) the effects of the economic activity resulting from the proposed facility;
- (d) the effects of the proposed facility on the public health, welfare, and safety;
 - (e) any other factors that it considers relevant.
- (3) Within 30 days after issuance of the report pursuant to 75-20-216 for a facility defined in 75-20-104(8)(c), the department shall approve a facility as proposed or as modified or an alternative to a proposed facility if the department finds and determines:
- (a) that the facility or alternative incorporates all reasonable, cost-effective mitigation of significant environmental impacts; and
- (b) that unmitigated impacts, including those that cannot be reasonably quantified or valued in monetary terms, will not result in:

- (i) a violation of a law or standard that protects the environment; or
- (ii) a violation of a law or standard that protects the public health and safety.
- (4) For facilities defined in 75-20-104, if the department cannot make the findings required in this section, it shall deny the certificate.""

Renumber: subsequent sections

6. Page 2, line 15.

Following: the first "the"
Strike: "certificate issued"

Insert: "environmental review conducted pursuant to Title 75,

chapter 1, parts 1 through 3, prepared"

7. Page 2.

Following: line 16

Insert: "(b) The department shall site a corridor of at least 500
 feet in width for the facility within the 1-mile-wide
 corridor in accordance with 75-20-301."

Renumber: subsequent subsections

8. Page 2, line 17.

Strike: "A"

Insert: "If the certificate holder complies with subsection (6),

Strike: "site"

Insert: "modify the siting of"

Strike: "facility siting"

9. Page 2, line 17 through line 18.

Strike: "pursuant" on line 17 through "(5)(a)" on line 18

10. Page 2, line 18.

Strike: "and"

Insert: "if the alternate siting is done"

11. Page 2, line 20 through line 21.

Strike: subsection (c) in its entirety

Insert: "(6) (a) A certificate holder may submit an adjustment of the location of a facility outside the corridor designated pursuant to subsection (5) to the department. The adjustment must be accompanied by the written agreement of the affected property owner and all contiguous property owners that would be affected. The submission must include a map showing the approved facility location and the proposed adjustment.

(b) The certificate holder may construct the facility as described in the submission unless the department notifies the certificate holder within 15 days of the submission that the department has determined that:

- (i) the adjustment would change the basis of any finding required under 75-20-301 to the extent that the department would have selected a different location for the facility; or
- (ii) the adjustment would materially increase unmitigated adverse impacts.
- (c) Siting of a facility within the corridor designated pursuant to subsection (5) or an adjustment pursuant to subsection (6)(a) is not subject to:
 - (i) Title 75, chapter 1, part 2;
 - (ii) a certificate amendment under 75-20-219; or
 - (iii) a board review under 75-20-223."



SENATE STANDING COMMITTEE REPORT

February 11, 2011 Page 1 of 2

Mr. President:

We, your committee on Natural Resources recommend that Senate Joint Resolution 10 (first reading copy -- white) do pass as amended.

Signed:

Senator Debby Barrett, Chair

And, that such amendments read:

1. Title, page 1, line 5.

Following: "TO"

Insert: "USE EXISTING FEDERAL LAWS TO"

2. Page 1, line 9.

Strike: "are likely to"

Insert: "could"

3. Page 1, line 11 through line 13.

Strike: line 11 through line 13 in their entirety

Insert: "WHEREAS, federal laws, such as the Clean Air Act, were
 never intended or designed to regulate greenhouse gases; and
 WHEREAS, Montana's two U.S. senators have gone on record
that Congress, not just the EPA, is the appropriate venue to
consider greenhouse gas regulations; and"

4. Page 1, line 15. Following: "obtain"

Insert: "some of"

5. Page 1, line 16.

Strike: line 16 in its entirety

6. Page 1, line 20 through line 21.

Strike: line 20 through line 21 in their entirety

7. Page 2, line 3.

Committee Vote:

Yes 10, No 4

Fiscal Note Required

SJ0010001SC.sdr

Strike: the first "and" through the second "taxes"

8. Page 2, line 14 through line 15.

Strike: line 14 through line 15 in their entirety

9. Page 2, line 23 through line 25.

Strike: "public" on line 23 through "because" on line 25

10. Page 2, line 29.
Following: "Congress"
Insert: "consider"

11. Page 2, line 30.

Strike: "adopt"
Insert: "adopting"

Strike: ", by any means necessary,"

Following: "from"
Strike: "regulating"

Insert: "utilizing existing federal laws to regulate"

12. Page 3, line 2.
Strike: "impose"
Insert: "imposing"

13. Page 3, line 4.

Strike: "," through "activities"

14. Page 3, line 5.
Strike: "require"
Insert: "requiring"

BILL TABLED NOTICE

SENATE NATURAL RESOURCES COMMITTEE

The SENATE NATURAL RESOURCES COMMITTEE TABLED SB 239 - Temporarily
prohibiting DEQ enforcement authority for public water systems, by motion, on Friday
February 11, 2011.

(For the Committee)

(For the Secretary of the Senate)

February 11, 2011

Kevin McCue, Secretary

Phone: 7363

DATE 2/11/11 BILL NO SB 20	MOTION N	O	
MOTION: as amou	naeo		
NAME	AYE	NO	If Proxy Vote, check here & include signed Proxy Form with minutes
SENATOR GREG HINKLE, VICE CHAIR	/		
SENATOR JOHN BRENDAN			
SENATOR BRADLEY MAXON HAMLETT	/		
SENATOR VERDELL JACKSON			
SENATOR CHRISTINE KAUFMANN			
SENATOR JIM KEANE			
SENATOR CLIFF LARSEN	/		
SENATOR JIM PETERSON			
SENATOR DONALD STEINBEISSER			
SENATOR MITCH TROPILA	/		
SENATOR CHAS VINCENT	/		
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SENATOR DAVID WANZENRIED			

SENATOR DEBBY BARRETT, CHAIR

MOTION: BILL NO 55 10	MUTION N	U	
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NAME	AYE	NO	If Proxy Vote, check here & include signed Proxy Form with minutes
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SENATOR VERDELL JACKSON	/		
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NAME	AYE	NO	If Proxy Vote, check here & include signed Proxy Form with minutes
SENATOR GREG HINKLE, VICE CHAIR			
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SENATOR VERDELL JACKSON			
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SENATOR BRADLEY MAXON HAMLETT	~		

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SENATOR VERDELL JACKSON

SENATOR JIM KEANE

SENATOR CLIFF LARSEN

SENATOR JIM PETERSON

SENATOR MITCH TROPILA

SENATOR CHAS VINCENT

SENATOR EDWARD WALKER

SENATOR DAVID WANZENRIED

SENATOR DEBBY BARRETT, CHAIR

SENATOR CHRISTINE KAUFMANN

SENATOR DONALD STEINBEISSER

I, Senator Jim Peterson, request to be excused from the

Natural Resources COMMITTEE

due to my other commitment. I desire to leave my proxy vote with:

VICE CHAIR GICE HINKLE		<u>Vice</u>	Chair	Greg	Hinkle
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Indicate Bill number and your vote Aye or No. If there are amendments, list them by name and number under the bill and indicate a separate vote for each amendment.

BILL/AMENDMENT	AYE	NO	BIL	L/AMENDMENT		AYE	NO
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(Signature)

I, Senator Edward Walker, request to be excused from the

Natural Resources COMMITTEE

due to my other commitment. I desire to leave my proxy vote with:

Vice Chair Greg Hinkle Indicate Bill number and your vote Aye or No. If there are amendments, list them by name and number under the bill and indicate a separate vote for each amendment.

BILL/AMENDMENT	AYE	NO	BILL/AMENDMENT	AYE	NO
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(Signature)

Date 27/1/

I request to be excused because of other comm	l from	nts I	JATURI desire t	1) Resur	av RCPS	Comi	mittee) 1:
Sen. Kauf			a 0 3 11 0 1		,, p. (,,, , , , ,	-	
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(Signa	ture)				_			

I, Senator John Brenden, request to be excused from the

Natural Resources COMMITTEE

due to my other commitment. I desire to leave my proxy vote with:

Vice Chair Greg Hinkle

Indicate Bill number and your vote Aye or No. If there are amendments, list them by name and number under the bill and indicate a separate vote for each amendment.

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SB 239 TABLE	\times					
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Sen. Jhw Brende

(Signature)

Date 2-11-11

I, Senator Cliff Larsen, request to be excused from the Natural Resources COMMITTEE

due to my other comm	itment.	I desi	re to l	eave my proxy vote with	:	
Sen. K	aufn	<u>nan i</u>	1			
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Sen. My (Sign	dature)	? ~		Date_ <u> </u>	<u> </u>	

MONTANA STATE SENATE Visitors Register SENATE NATURAL RESOURCES COMMITTEE

Friday, February 11, 2011

SB 286 - Revise certain coal prospecting procedures

Sponsor: Senator Alan Olson

PLEASE PRINT

Name	Representing	Support	Oppose
Ed Coleman Steve Wade Bud Crinicit Of alle	DEQ		X
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Bus Dade	Coal Mtn Ming MT LOAL COUN WETA		
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Please leave prepared testimony with Secretary. Witness Statement forms are available if you care to submit written testimony.